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Charles Schwab TD Ameritrade  
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## TECHNOLOGY

### **Schwab-TDAI 'Conversion Event' Slated for Labor Day Weekend 2023**

**Schwab RIA execs reconfirmed repapering will not be needed for the majority of accounts, and ThinkPipes and iRebal will be included on Schwab's platform.**

Rob Burgess | Oct 27, 2022

The date on which the largest RIA custodian will flip the switch and move all advisors and clients with assets on the legacy TD Ameritrade Institutional platform over to Schwab Advisor Services has been announced.

During a media briefing on Thursday, Managing Director Tom Bradley said the so-called “conversion day” would take place over Labor Day weekend 2023. By the following Tuesday, all advisors and clients will be on the Schwab platform, and he expects the TD Ameritrade Institutional's name and brand will be permanently retired.

“For these conversions, we favor three-day weekends,” said Bradley. “It gives you more time to get the data over and check it and make sure everything is OK and make any adjustments that need to be made.”

Charles Schwab’s \$26 billion acquisition of rival discount broker and RIA custodian TD Ameritrade was first announced in November 2019. The deal passed regulatory scrutiny and closed a year later, after which integration of the platforms got underway.

At the time, the merger combined Schwab’s \$3.8 trillion in client assets, of which roughly half was in advisory services, with TD Ameritrade’s \$1.3 trillion. TD Ameritrade did not break out assets on the platform from the RIA channel but had an estimated 11% of the indie RIA market, compared with Schwab's estimated 30%. Post-acquisition, Charles Schwab has \$6.6 trillion in client assets across all business lines, with perhaps half of that coming from some combined 13,500 RIA clients.

Bradley, the former head of advisor services for TDAI, said there will be some preparation required from advisors before the “event” takes place.

“There’s training on the Schwab systems,” he said. “Many advisors are dually custodied, so they know the Schwab systems, but some aren’t, and there’s quite a bit of training that has to go on there. There’s a review of how their setup is on the Schwab system. How the Ameritrade setup is essentially copied and pasted onto the Schwab systems and there’s a review of that.”

Bradley said they chose Labor Day weekend because they wanted the conversion to take place outside of tax season, which is “typically the busiest time of the year for advisors.”

Bradley also confirmed “the vast majority” of advisors would not need to repaper clients to move them onto the Schwab platform. Permission will be granted with negative consent letters.

Bradley said the Schwab Advisor Center platform will keep “popular and important functions” of TDAI’s Veo One and replicate them. Also, as previously announced, Bradley said they will also be keeping ThinkPipes and iRebal, two popular tech tools for TDAI advisors.

“We’re absolutely thrilled about it,” said Bradley. “We continue to invest millions of dollars into our platform. The platform is improving every day with new releases on the Schwab system. We’re looking forward to the Ameritrade advisors being able to take advantage of that.”

Jessica Heffron, managing director, said a “huge part of this conversion is the data.”

“We’ve done multiple runs of moving that data over,” said Heffron, and testing will continue well into next year.

Bradley also said most TDAI advisors will keep their service teams.

“The service experience for all advisors on the Ameritrade platform will be the same on Schwab platform,” said Bradley. “There will be a few instances where we have to make some changes, but they are few and far between.”

Bradley, credited with maintaining good relationships with TDAI advisors from his decade-long tenure as president of that firm's advisor division, was brought on board by Schwab in the wake of the acquisition in part to quell fears of some “smaller” advisors that they would not receive the same kind of attention from the larger custodian. Bradley's focus was all advisory clients with less than \$100 million in AUM.

During the briefing on Thursday, he confirmed his remit will now include heading up service relationships for all advisory client teams up to \$2 billion in AUM.

He said the firm was hiring at “surge staffing” levels for what they anticipate will be more service calls and questions around the conversion.

“We’re hiring now because we want people to have some experience, to be well-trained and have some experience prior to that particular weekend. Most of the planning is done. It’s all about execution.”